

**Montana Residentially-Based Services Reform Pilot Project-Using one-time-only
Human Service Economic Stimulus Funds**

Montana has the opportunity, through the use of **one-time-only human service economic stimulus** funds to effectively transition many very seriously disturbed children from group homes and psychiatric facilities into a "permanent home" with a permanent family.

This effort will be built upon the Children's System of Care Initiative, but building a sustainably funded community and family based "permanency" initiative requires that **Montana's statutory agencies charged to "protect," "treat," "correct," and "educate" Severely Emotionally Disturbed Children actively participate and invest in developing a "sustainable, outcome oriented, and cost-effective children's system of care.**

Most other states have learned that "sustaining" systems of care initiatives required blending and reallocating federal title IV-E, and Medicaid EPSTD funds, along with the state general fund "family preservation" and juvenile justice placement funds.

Three pilot projects are being proposed demonstrating that Residentially-based services should be a specific option chosen as a means to achieve the specific outcome of permanency.

Montana's providers of residential care and treatment are **"shovel ready" to begin building a cost and outcome effective System of Care.** This represents a significant "infrastructure" investment in children and youth that presently utilize an inordinate percentage of Montana's placement and treatment resources.

The program with which I worked in California for 4 years achieved a **92% successful graduation rate** working with the most severely emotionally disturbed children and their families.

Milwaukee, Wisconsin estimated that, without having re-designed it system and re-directed dollars, child welfare spending on residential treatment would have increased from \$18m in 1996 to \$43m today; instead, Milwaukee is spending less on residential treatment today than in 1996, and serving more children.

We are being asked and challenged by our President and our Governor to develop new approaches toward solving old problems. This proposal embraces the most promising evidence based practices for **achieving durable treatment outcomes in a cost-effective manner.**

Respectfully Submitted,

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